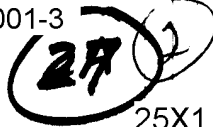


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25X1CENTRAL INTELLIGENCE AGENCY  
NATIONAL FOREIGN ASSESSMENT CENTER

31 January 1980


MEMORANDUMTHE NETHERLANDS AND TNF: AGONY REVISITED 

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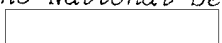

Summary

The defeat of theater nuclear force (TNF) modernization in the Netherlands last December signaled a retrenchment in Dutch defense policy and a renewed emphasis on domestic problems. It is unlikely that new nuclear weapons will be deployed after December 1981, and future defense commitments of all sorts will be subject to increasingly close scrutiny. With TNF behind him, Prime Minister van Agt will concentrate on a sluggish economy, trade union intransigence, energy problems, abortion, and the final merger of the Christian Democratic party. He must show progress in these areas in order to improve the government's sagging popularity before the next general election scheduled for May 1981. 

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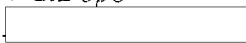
Efforts to revitalize support in the Netherlands for TNF deployment would face an uphill battle. Although they would require close cooperation between the Hague and Washington, the major burden would fall on a reluctant van Agt government. A firm base of support would have to be established within the important religious, political, educational, and economic constituencies before TNF deployment could be raised again in Parliament. A successful deployment decision would have to be made well before December 1981. Failure could lead to the collapse of the government and probably would reinforce opposition to expanding other defense commitments. 

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This memorandum, requested by the National Security Council and the Department of State, was prepared by  of the Western Europe Division, Office of Political Analysis. The paper has been coordinated with the Office of Economic Research, the Office of Strategic Research, and the National Intelligence Officer for Western Europe. Research was completed on 30 January 1980. 

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Questions and comments may be addressed to the Chief, Northern Europe Branch, Western Europe Division, Office of Political Analysis 


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The Defense Commitment

After a period of relative quiet--coinciding generally with the tenure of the present government--the Dutch commitment to nuclear weapons and to NATO itself will increasingly dominate the debate over the Netherlands' defense posture. A growing number of Dutchmen seem to be seeking a return to a more "neutral" role--or at least one that is less supportive of Alliance initiatives--and see accommodation with the Soviets as an increasingly attractive alternative to expanding Dutch defense efforts. It is clearly impossible for the Dutch to return to the pre-World War II model. But, as more political leaders perceive a Soviet attack as increasingly unlikely and see the Dutch role as inconsequential in a nuclear exchange, the pressure for some variant of pre-war neutrality will grow. Even though the general direction appears clear, the way the defense debate will unfold depends upon several imponderables: the composition of successive governments; economic conditions; and the state of detente. [REDACTED]

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There is no immediate danger to Dutch participation in NATO's conventional force programs, including the Alliance's long term defense program. Nonetheless, the Dutch commitment to these programs will become more controversial during the next decade. The Dutch commitment to NATO's nuclear deterrent, however, is of more immediate concern. Unless the Dutch become convinced during the next two years that the West is faced with a serious and sustained nuclear threat, it is unlikely that the Netherlands will deploy new nuclear weapons after December 1981--regardless of the government in power at the time. Moreover, pressure will grow in the country to reduce the Dutch tactical nuclear role and, over time, to eliminate it entirely. [REDACTED]

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The Domestic Focus

Van Agt, having salvaged what he could for the proponents of nuclear modernization while basically capitulating on the issue, wants to put TNF behind him. With TNF effectively neutralized the most serious threat to the government has passed. If the nuclear weapons issue can be avoided, the government stands a good chance of surviving until the next general election scheduled for May 1981. [REDACTED]

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Recent polls indicate that the popularity of both the Christian Democratic (CDA) and Liberal (VVD) parties in the coalition has declined, while that of the opposition Labor (PvdA) and especially the Democrats '66 (D'66) has grown. Van Agt will be able to reverse this low standing in time for the election only by resolving a number of difficult domestic problems. If he stumbles badly on one or more of them--even if the nuclear weapons issue remains dormant--the government could be forced into an early election. [REDACTED]

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The Economy. The government's most pressing problem is the sluggish economy. Unemployment, which hovers around 5 percent--high by Dutch standards--is concentrated in the private sector, where the number employed has been declining since 1972. The most encouraging news for the government is that the rate of inflation rose only by 4.2 percent during 1979, but it is now expected to increase by as much as 6.5 percent in 1980. Although industrial production showed some improvement during 1979 compared with 1978, the rate of growth was lower than for the Netherlands' major West European competitors. Most important, the trade balance has deteriorated, due mainly to the strength of the guilder and high energy costs. [REDACTED]

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Government efforts to stimulate production, especially for the export market, and to spur domestic demand and private investment while keeping inflation and unemployment in check, have been only partially successful. Efforts have been hampered by the rapidly increasing burden of social welfare programs, uncommonly strong trade union intransigence, and political opposition to the government's austerity plan--Bestek '81--announced in 1978. The plan, which was intended to curb the growth in public expenditures by 10 billion guilders between 1979 and 1981, has been sharply revised primarily because of the stiff opposition. [REDACTED]

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Trade Unions. The trade unions, backed by strong support from the Labor Party, strenuously oppose most of the government's austerity measures. Concerned with an erosion in the standard of living, particularly among social security recipients and lower wage earners, the unions are especially critical of the government's two-month wage freeze introduced early last month. Wage negotiations in 1979 and so far in 1980 have not gone smoothly, and there has been an upsurge in union militancy and violence that would have been unthinkable just a few years ago. [REDACTED]

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Some unions--although their number is shrinking--have indicated that they are willing to show restraint in exchange for programs directed toward increased job security, the creation of new jobs, greater profit sharing, greater worker involvement in the management of companies, and reduced working hours. The way these issues are solved will go a long way toward determining whether the government survives and how popular it will be at election time. [REDACTED]

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Energy. The Dutch will continue to depend on expensive and uncertain foreign oil for some time, but the government recognizes that an ambitious program concentrating on the development of several different energy sources is needed for the long run. There is broad support for the major conservation effort announced in 1979 as well as programs designed to investigate alternatives, such as importing more coal and extending

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the life of the Dutch gas fields. But the government's proposal to make an enhanced nuclear power capability as the key to solving the energy crisis has come under very heavy fire and eventually could rival the nuclear weapons issue for divisiveness. [REDACTED]

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In an attempt to gain time to build a case for nuclear energy and to nurture indispensable public and parliamentary support, the government has created a "Wisemen's Commission" to investigate Holland's long-term energy needs, alternative sources, and reactor safety. After a two-year national debate, the government will accept the recommendations of all interested parties and make a final decision by the autumn of 1981--well after the current government has left office. [REDACTED]

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Abortion. Although a majority of Dutchmen probably is opposed to liberalized abortion, successive governments have been unable to resolve this explosive issue, which cuts across religious, political, and class lines. The van Agt government has offered its own formula, a carefully worded attempt to bridge the differences between the "prolife" forces supported by most Christian Democrats and rightwing parties, and the "prochoice" forces supported by the Liberal and Labor parties and all parties on the left. The formula satisfied almost no one, and as both pro- and anti-abortion positions have hardened, new government initiatives probably will bog down. [REDACTED]

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Abortion will be a major issue for some time to come. The consequences of mismanagement could be dangerous for the government, not only because of opposition discontent, but because the coalition partners themselves are split over the issue. [REDACTED]

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Christian Democratic Unification. Van Agt's problems are compounded because of efforts--now scheduled to be completed in October--to merge the three constituent parts of the CDA into one party. Still far from a cohesive organization, the three Christian parties that comprise the CDA must be consulted, appeased, and occasionally coerced into determining policy and distributing positions in both the party and government. In addition, there is a potentially damaging left-right split within the CDA between those who favor cooperation with Labor and those favoring an alliance with the Liberals. This split led to the government's defeat on TNF and could lead to serious disagreements between the CDA and Liberals in the coalition. [REDACTED]

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#### Renewing the Effort?

Any attempt by Washington to revitalize support in the Netherlands for TNF deployment would involve a major undertaking, and the odds against success would be great. Even if successful, TNF deployment would not lessen--and probably would sharpen--the longterm debate over Dutch

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defense priorities. Failure, however, would reinforce those favoring a more neutral defense policy even more strongly and could lead to the collapse of the van Agt government. [ ]

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Nonetheless, if the effort is made, the following points are critical:

- The major burden for any effort to secure a decision to deploy would fall on the Dutch. The government failed the first time around to gain support for deployment and the probability is high that renewed efforts could undermine domestic programs and even lead to an early election. For these reasons the van Agt government would be reluctant to take the risk.
- The date for a final decision would have to be moved up from December 1981 to at least six months before the May 1981 general election. Waiting until December 1981 would increase the risk of failure. If a cabinet had not been formed by December, the caretaker government would not make a major defense decision. If a government had taken office, there is a strong possibility it would probably be dominated by anti-TNF forces. Even with a less than cooperative government, an early deployment decision, with the Dutch actively and materially committed, would run a smaller risk of being overturned.
- The Dutch, who equate detente with arms control efforts, would have to be convinced of the sincerity of US efforts in this area. The passage of SALT II by the Senate is minimal; without it, renewed deployment efforts in the Netherlands would be doomed.
- Efforts to move the Dutch toward TNF deployment would have to overcome the mistakes made during the first attempt. Nuclear modernization was defeated in the Netherlands primarily because its proponents failed to mobilize the necessary support. The opposition, with a well-established antinuclear lobby, filled the vacuum quickly and never relinquished its advantage. [ ]

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In the Netherlands, the fate of issues like TNF modernization is seldom influenced by public opinion or by the perceived mood of the electorate. Decisions are largely determined by specific and rather narrowly defined political and religious constituencies. The antinuclear opposition, capitalizing on this, began early in the debate to build bases of support within the churches, universities, trade unions, youth organizations, and among a multitude of ad hoc groups designed specifically to coordinate antinuclear activity. These groups, hammering at the

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moral and ethical repugnance of nuclear weapons, played a key role in reinforcing legislators already opposed to modernization and in influencing the far greater number that might otherwise have supported the government. The issue was lost because the proponents of modernization failed to respond to this challenge--not because there was no potential support for TNF. [REDACTED]

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In addition to presenting practical political and military justifications for deployment, renewed efforts would need to tackle moral issues. Since defense debates--as well as virtually every other debate--in the Netherlands normally take on a marked philosophical cast, a moral justification for deployment would be necessary. [REDACTED]

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Such a campaign might concentrate initially on selected, influential individuals within the parliament and the important constituencies. Much of this could be done through visits by US specialists and officials and by inviting influential Dutchmen here. It would be important for the van Agt government itself to play a major role in this phase of the campaign. If progress were made at this level, the efforts could be expanded gradually to include the broader public. Special attention might be paid to such audiences as veterans groups, orthodox churches, local Liberal and Christian Democratic organizations, certain portions of the major Protestant labor union, and certain portions of the Catholic wing of the Socialist-Catholic union. If support were firmly established within these major constituencies, there would be a chance to counter anti-TNF forces, build a national base of support, and keep the CDA dissidents in line for a new try in parliament. [REDACTED]

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